

matures. Our diplomats work closely together on issues far removed from the Korean peninsula. We collaborate in the United Nations and welcome Seoul's bid for membership on the Security Council. We work together on issues involving APEC and the ASEAN Regional Forum. Our partnership extends to global environmental and population issues.

Most important, perhaps, are the personal ties that link our two nations together. The Korean-American community is well represented in every state in the Union. A Korean-American, Jay Kim, now sits in the U.S. House of Representatives.

The South Korean ambassador tells me that several hundred Korean children come here each year for adoption—a particularly poignant manifestation of the ties we share. My next door neighbors have two adopted Korean girls. And a growing stream of students and tourists are turning the Pacific Ocean into a land bridge.

V. CONCLUSION

Periodically, the press in both the United States and South Korea report dangerous rifts between Seoul and Washington. A week or two later, those ominous differences miraculously disappear. Our relationship is durable, strong, and close.

We will disagree from time to time. Our perspectives on even key issues will not always coincide. But on the fundamentals, our two peoples and our two governments are united.

We share a huge stake in maintaining peace on the Korean peninsula and throughout East Asia.

We share an interest in restraining North Korea's nuclear ambitions and its conventional capabilities.

We benefit from economic cooperation and increased trade and investment.

We are committed to the political freedoms that underlie democracy.

And we both are committed to the defense of the freedoms we enjoy and cherish.

In short, we have a sound basis for a lasting friendship.

PUT LOYALTY BACK IN THE WORKPLACE ETHOS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1995

Mr. LaFALCE. Mr. Speaker, for years I have spoken on the floor and in committee hearings on the urgency of making U.S. companies competitive in the world marketplace. U.S. companies have met this challenge and are beating their international competition by improving products, increasing production efficiency, and adapting to new technologies. In the jargon of the day, the key to this renovation has been corporate restructuring.

Unfortunately, restructuring has left a key element out of the equation for success: America's workers. To attain a positive bottom line, companies have thrown away workers like so many crumpled pieces of paper. General Motors has let go more than 100,000 employees since the 1980's. Corporate America announced record layoffs in 1993—over 615,000. The trend continued in 1994—first quarter—at a rate of 3,100 a day after the recession was over. Examples of announced cutbacks since 1991 have included IBM, 85,000; AT&T, 83,500; Sears, 50,000; Boeing, 30,000; NYNEX, 22,000. This year in February

alone, 30,945 jobs were eliminated by 74 companies, and it is projected that year-end 1995 will tally 400,000 layoffs.

We are in a new phase of corporate downsizing. Loyal workers and managers are let go. But employment is not the only issue. The quality of employment is changing. Lower salaries are imposed because it is a buyer's market and companies can command good employees at low cost. Recent studies, including those by the OECD, show that among the G-7 industrial countries, the United States ranks first in having the longest workweek, the shortest vacation time, and the least weeks of maternity and parental leave.

Mr. Speaker, last month Robert Kuttner wrote in *Business Week* that our best corporations cannot guarantee career security no matter how dedicated the work force. There is no need for companies to make a career commitment to employees. On the other hand, workers loyal and dedicated to their employers deserve loyalty in return. As a society, we must recognize that two-way loyalty in the workplace benefits everyone, and we must find a way to be competitive and successful with more than a bottom-line mentality. Mr. Speaker, I am submitting a copy of Mr. Kuttner's article for the RECORD.

NEEDED: A TWO-WAY SOCIAL CONTRACT IN THE WORKPLACE

(By Robert Kuttner)

America's best corporations are caught between two opposite first principles. One prizes the engaged, empowered employee. The other views employees as expendable costs. Reconciling these views is like squaring the circle.

It is hard to pick up a business magazine without encountering compelling tales of companies that improved productivity through the "high road"—a policy of empowered employees, teams, and high-performance work. This model implies a reciprocal commitment between management and employees, but in an economy of relentless downsizing something appears to be lacking. The company can only insist that high-performance will be rewarded or even that the employee will keep a job. The corporate social contract in America today, says Anthony P. Carnevale, chairman of the National Commission on Employment Policy, "is the sound of one hand clapping."

You might think this one-sided social contract would have costs to employee morale and hence to productivity. But, evidently, fear is a powerful motivator. In his study of corporate loyalty, *White Collar Blues*, Charles Heckscher was granted access to middle managers at eight large corporations undergoing major restructurings, including General Motors, Dow Chemical, and AT&T. Heckscher, who chairs the labor studies and employment relations department at Rutgers University, found that employees were highly dedicated but had scant confidence that their devotion would be repaid. Yet they retained a surprising degree of loyalty. "Perhaps the principal puzzle in companies undergoing the shock of change," he concluded, "is that it produces so little conflict and disintegration."

GLOWING REPORT

At another conference at the Jerome Levy Economics Institute of Bard College, the keynote speaker was Frank P. Doyle, executive vice president of General Electric Co. Doyle confirmed Heckscher's portrait. GE today does three times the business it did in 1980—with half the workforce. To get there, Doyle said, "we did a lot of violence to the expectations of the American workforce. . . .

We downsized. We de-layered. And we outsourced."

GE is among the most dynamic of U.S. companies, with a deep commitment to imaginative human-resource strategies. For its core employees, GE is an attractive place to work. However even the best of our corporations cannot guarantee career security, no matter how dedicated its workforce. If this is the core, heaven help the periphery.

At a conference at the Radcliffe Public Policy Center, there was much talk about a "new economic equation" to reconcile work and family life. Another corporate manager with a strong commitment to core employees, Robert E. Boruff, vice-president for manufacturing at Saturn Corp., gave a glowing report about how his company offers subsidized child care, flexible hours, and help to workers pursuing more education. But even Saturn uses outsourcing and contingent workers, who do not receive all these benefits.

HIGH-MINDEDNESS?

Corporate America is littered with companies that once prided themselves on generous fringe benefits and no-layoff policies—companies that now devalue health benefits and jettison faithful employees by the thousand. Although they talk a good game, America's most successful companies seem to have decided that a workplace compact is necessary only for their most valued workers. So a humane corporate culture for the entire workforce cannot be anchored in the high-mindedness or event he enlightened self-interest of the corporation.

Employment security, as opposed to job security, is assured only when the economy enjoys high growth and full employment. With high unemployment and plenty of job seekers, companies have no need to make a career commitment to employees. Conversely, in a full employment economy, the existence of plentiful job opportunities takes the sting out of downsizing at any one company.

Similarly of we believe as a society in profamily workplaces, lifetime learning, pay for performance, and other enlightened principles, these norms must be anchored in national policies. Enlightened corporations may want to pursue a high-road approach, but competitive pressures may make that prohibitively expensive unless all companies are traveling the same road.

The elements of a decent, two-way social contract in the workplace require floors set by either national policies or strong labor unions. It's encouraging that America's most productive companies, in principle, value a high-road approach, but that doesn't guarantee that they will take it. It's also necessary for society to bar the low road.

TRIBUTE TO TANNETIE VERHOEVEN

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1995

Mr. KIM. Mr. Speaker, I rise before the House floor today to pay tribute to Tannetie Verhoeven who will be celebrating her 100th birthday on August 11. Truly, this is an extraordinary occasion. The city of Chino has greatly benefited from her decades of continued dedication and commitment to community service.

Ms. Verhoeven has witnessed two World Wars, the Great Depression, the founding of the United Nations, man walking on the moon, as well as many other monumental events our